

**FINAL REPORT
OF THE
PUBLIC OFFICERS COMPENSATION
STUDY COMMITTEE**

**Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204**

October, 1999

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1999

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PUBLIC OFFICERS COMPENSATION STUDY COMMITTEE

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Indianapolis

The Honorable David Dreyer
Indianapolis

Karen Kennelly
Indianapolis

Staff

Robert Rudolph
Attorney for the Committee

Susan Preble
Fiscal Analyst for the Committee

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

I. STATUTORY DIRECTIVE

The Indiana General Assembly enacted P.L.33-1999 (HEA 1150-1999) establishing the Committee and directing it to do the following:

"Study whether to establish by statute a permanent executive commission with the authority to do the following:

- (1) Receive information relating to the salaries of public officers.
- (2) Consider recommendations for appropriate salaries for public officers.
- (3) Take testimony relating to the salaries of public officers.
- (4) Adopt, if necessary, proposed rules to set the salaries of any public officers.
- (5) Adopt, if necessary, proposed rules to govern the proceedings of the commission."

II. INTRODUCTION AND REASONS FOR STUDY

Under current Indiana law and past practice, the Indiana General Assembly has set the compensation for its own members and for public officers in the executive branch and judicial branch. With respect to members of the General Assembly, Article 4, Section 29 of the Indiana Constitution provides as follows:

"The members of the General Assembly shall receive for their services a compensation ***to be fixed by law***; but no increase of compensation shall take effect during the session at which such increase may be made."

[Emphasis added.]

Under the current and past practice, the General Assembly has only sporadically increased the salaries of public officers: During the past 40 years, the salaries of judicial officers have been adjusted 13 times; the salaries of the various executive public officers have been adjusted eight times during the past 49 years; and the General Assembly has adjusted the salaries of its own members seven times during the past 53 years.

It is politically difficult for the General Assembly to adjust the salaries of public officers, particularly of its own members. Concern has arisen that the frequency and amount of adjustment of the salaries of public officers will discourage many individuals from entering or continuing service as a public officer. This is particularly true of individuals who have only modest financial means or are at a point in their lives when demands on a family budget are considerable.

Twenty states have established, either in their constitutions or by statute, commissions whose function is to set or recommend the salaries of some or all of their respective public officers. The rationale for establishing such a commission is that an independent body is more likely to make an analytically objective decision regarding suitable salaries for public officers than is the entity (i.e., the General Assembly) that is both ultimately responsible for, and greatly interested in, the salaries of public officers.

The purpose of the study was to examine the data relating to the salaries of public officers in

Indiana and to determine from the experience of the states that have established public officer compensation commissions whether good public policy would indicate that such a commission should be established in Indiana.

III. SUMMARY OF WORK PROGRAM

The Committee met on September 22, October 12, and October 27.

Before the first meeting, staff provided Committee members with a copy of HB 1647-1999 which would have established a compensation commission for Indiana, a copy of provisions of the Indiana Constitution relating to compensation of public officers, a salary history for the General Assembly and a salary history for public officers in the executive branch, materials containing information about the salaries of public officers of other states, and other background materials. At the first meeting, staff presented information about compensation commissions of other states and summarized the provisions of HB 1647-1999.

Before the second meeting, staff provided Committee members with a salary history of judicial officers. At the second meeting, staff summarized for the Committee the results of staff interviews of legislative personnel in some of the states that have compensation commissions. The focus of the interviews was to determine how each commission was working in their respective states. The Committee reviewed charts comparing actual salaries of Indiana public officers over a twenty-year period to what the 1969 salaries of those officers would have been if annually adjusted using the Consumer Price Index. The Committee also discussed various approaches to setting public officer salaries, including having an outside consultant make recommendations, having an advisory compensation commission, or having a compensation commission that has authority to set salaries subject to the authority of the General Assembly to void the commission's action.

Before the third meeting, staff provided Committee members with a chart illustrating an adjustment of the current salaries of Indiana public officers into 2001 using projections of what the Consumer Price Index will be for 1999, 2000, and 2001. Staff also provided Committee members with PD 3449 and PD 3451. Preliminary Draft 3449 would establish a public officers compensation commission that has authority to set public officer salaries subject to the authority of the General Assembly to void the commission's action. Preliminary Draft 3451 would establish a public officers compensation commission with authority to make recommendations to the General Assembly regarding suitable salaries for public officers. At the third meeting, the Committee reviewed and discussed the drafts, made the findings and recommendations that follow in this report, and approved this final report.

IV. SUMMARY OF TESTIMONY

The Committee heard testimony from the Honorable Mary Lee Comer, Judge, Hendricks Superior Court and President, Indiana Judges Association. Judge Comer generally expressed support for the Committee's work, for the creation of a salary commission, for an increase in the compensation of judicial officers.

V. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee made no findings of fact.

The Committee made the following recommendations:

The Committee recommends the General Assembly enact a bill based on PD 3449¹ to establish a public officers compensation commission with authority to adopt rules to set suitable salaries for public officers.

The Committee vote was 9 members in favor of the recommendation and 2 members opposed to the recommendation as follows:

In favor: Senator Mills, Senator Harrison, Senator Lewis, Senator Washington, Representative Kromkowski, Representative Mangus, Mr. Stoughton, Judge Dreyer, and Ms. Kennelly.

Opposed: Representative Bischoff and Representative Foley.

The Committee also recommends the General Assembly enact a bill to increase the annual salaries of public officers to the following levels:²

Governor:	\$135,000
Lt. Governor:	\$ 76,000
Secretary of State	\$ 69,000
Auditor of State	\$ 69,000
Treasurer of State	\$ 69,000
Attorney General	\$ 83,000
Superintendent of Public Instruction	\$ 83,000
Clerk of the Courts	\$ 62,000
Chief Justice of the Supreme Court	\$130,000
Other Supreme Court Justices	\$128,000
Chief Judge of the Court of Appeals	\$125,000
Other Judges of the Court of Appeals	\$122,000
Trial Court Judges	\$ 97,000
Members of the General Assembly	\$ 19,000
Legislator out-of-session per diem	\$ 34

The Committee recommends that these increases become effective January 1, 2001 and, in the case of the Governor, effective when the Governor's term of office begins in 2001 (January 8, 2001).³ The Committee directed that this report specifically note that the Committee believes that the Governor, as chief executive officer of the State of Indiana, should not be paid less than

1. As amended by the Committee.

2. Staff was directed to prepare a bill to incorporate this recommendation.

3. Under Article 5, Section 22 of the Indiana Constitution, the Governor's salary cannot be changed during the Governor's term of office.

any other public officer of the State.

The Committee vote was 10 members in favor of the recommendation and 1 member opposed to the recommendation as follows:

In favor: Senator Mills, Senator Harrison, Senator Lewis, Senator Washington, Representative Kromkowski, Representative Mangus, Representative Foley, Mr. Stoughton, Judge Dreyer, and Ms. Kennelly.

Opposed: Representative Bischoff.

The Committee adopted this Final Report by a vote of 10 members in favor and 1 member opposed as follows:

In favor: Senator Mills, Senator Harrison, Senator Lewis, Senator Washington, Representative Kromkowski, Representative Mangus, Representative Foley, Mr. Stoughton, Judge Dreyer, and Ms. Kennelly.

Opposed: Representative Bischoff.

WITNESSLIST

The Honorable Mary Lee Comer, Judge, Hendricks Superior Court, President, Indiana Judges Association